

Social Security in Review

Increase in the SGA Amount for Beneficiaries with Disabilities

Beginning July 1, 1999, the earnings limit for beneficiaries with disabilities increased by \$200 a month. The increase in the limit—known as the substantial gainful activity (SGA) limit—will rise from \$500 a month to \$700 a month, and represents the first increase since 1990.

SGA is part of the statutory definition of disability that requires an individual to be unable to engage in substantial work for initial and ongoing eligibility under the Social Security Disability Insurance (DI) program and for initial eligibility under the Supplemental Security Income (SSI) program.

Under the DI program, 4.7 million workers with disabilities receive an average benefit of \$722 a month. In addition, some 1.6 million members of their families receive monthly benefits.

Each year since 1993, nearly 400,000 beneficiaries with disabilities participated in some way in the workforce. Many others, however, did not attempt to work for fear of losing both cash and medical benefits.

The SGA level of \$1,110 for workers who are blind is established by statute and is adjusted annually based on the national average wage index and is not affected by this increase.

Since the establishment of the National Task Force on Employment of Adults with Disabilities in early 1998, SSA has been actively involved in a number of initiatives designed to encourage beneficiaries with disabilities to return to work.

In addition, the Administration strongly supports the Work Incentives Improvement Act that provides the continuation of

health insurance for workers with disabilities who return to work as well as enhanced employment services.

1999 Trustees' Report

On March 30, 1999, the Social Security Board of Trustees released its annual report, which projects that the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds are in good financial shape. It is forecasted that the OASI Trust Funds, which pays retirement and survivors benefits, to be able to pay full benefits on time until 2036. The DI Trust Fund, which pays disability benefits, is projected to be able to pay full benefits until 2020.

In addition to the OASDI Trust Fund projections presented in the report, the Trustees also forecast the financial status of the Medicare Trust Funds. It is projected that the Federal Hospital Insurance (HI) Trust Fund, which pays doctor's bills and other outpatient expenses, is expected to be able to pay full benefits until 2015. This projection is 7 years longer than that projected in last year's report.

The Supplemental Medical Insurance (SMI) Trust Fund, which pays doctor's bills and other outpatient expenses, is expected to remain adequately financed into the indefinite future, because current law sets financing each year to meet the next year's expected cost.

For more detailed information on the trust funds, see "Summary of the 1999 Annual Social Security and Medicare Trust Fund Reports," on page 65 of this issue.